



Billing Code: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

A-580-872

Non-Oriented Electrical Steel from the Republic of Korea: Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that imports of non-oriented electrical steel from the Republic of Korea are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final estimated weighted-average dumping margins are listed below in the “Final Determination” section of this notice.

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Dmitry Vladimirov, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0665.

SUPPLEMENTARY INFORMATION

Background

On May 22, 2014, the Department published the *Preliminary Determination* in the *Federal Register*.¹ In the *Preliminary Determination*, we postponed the final determination until no later than 135 days after the publication of the *Preliminary Determination* in

¹ See *Non-Oriented Electrical Steel from the Republic of Korea: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 29426 (May 22, 2014) (*Preliminary Determination*).

accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), and invited parties to comment on our *Preliminary Determination*. We received case and rebuttal briefs from the petitioner, AK Steel Corporation, and POSCO/Daewoo International Corporation (collectively, POSCO) in August 2014. On June 19, 2014, POSCO requested a hearing, but withdrew its request on August 19, 2014.²

Period of Investigation

The period of investigation is July 1, 2012, through June 30, 2013.

Scope of the Investigation

The merchandise subject to this investigation consists of non-oriented electrical steel (NOES), which includes cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term “substantially equal” means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B₈₀₀ value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.

NOES is subject to this investigation whether it is fully processed (*i.e.*, fully annealed to develop final magnetic properties) or semi-processed (*i.e.*, finished to final thickness and physical form but not fully annealed to develop final magnetic properties). Fully processed

² See POSCO letter entitled “Non-Oriented Electrical Steel from the Republic of Korea: Withdrawal of Request for Hearing” dated August 19, 2014.

NOES is typically made to the requirements of ASTM specification A 677, Japanese Industrial Standards (JIS) specification C 2552, and/or International Electrotechnical Commission (IEC) specification 60404-8-4. Semi-processed NOES is typically made to the requirements of ASTM specification A 683. However, the scope of this investigation is not limited to merchandise meeting the ASTM, JIS, and IEC specifications noted immediately above.

NOES is sometimes referred to as cold-rolled non-oriented (CRNO), non-grain oriented (NGO), non-oriented (NO), or cold-rolled non-grain oriented (CRNGO) electrical steel. These terms are interchangeable.

Excluded from the scope of this investigation are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the Harmonized Tariff Schedule of the United States (HTSUS) as a part (*i.e.*, lamination) for use in a device such as a motor, generator, or transformer.

The subject merchandise is provided for in subheadings 7225.19.0000, 7226.19.1000, and 7226.19.9000 of the HTSUS. Subject merchandise may also be entered under subheadings 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, 7226.92.8050, 7226.99.0180 of the HTSUS. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Issues and Decision Memorandum.³ A list of the issues which parties raised and to which we responded is in the Issues and Decision Memorandum and attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and it is available to all parties in the Central Records Unit (CRU), room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/index.html>. The signed and the electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Determination

Based on our analysis of the comments received, pre-verification corrections, and our findings at verifications, we made certain changes to the margin calculations for POSCO. For a discussion of these changes, *see* the "Margin Calculations" section of the Issues and Decision Memorandum.⁴

³ See the memorandum from Associate Deputy Assistant Secretary Gary Taverman to Assistant Secretary Paul Piquado entitled "Issues and Decision Memorandum for the Final Affirmative Determination in the Less than Fair Value Investigation of Non-Oriented Electrical Steel from the Republic of Korea" dated concurrently with this notice and hereby adopted by this notice (Issues and Decision Memorandum).

⁴ See also Memorandum to Neal Halper entitled "Cost of Production, Constructed Value, and Further Manufacturing Calculation Adjustments for the Final Determination – POSCO" dated concurrently with this notice and Memorandum to the File entitled "Final Determination of Sales at Less Than Fair Value in the Antidumping Duty Investigation of Non-Oriented Electrical Steel from the Republic of Korea - Analysis Memorandum for POSCO" dated concurrently with this notice.

Verification

As provided in section 782(i) of the Act, in June and July 2014, we conducted sales and cost verifications of the questionnaire responses submitted by POSCO. We used standard verification procedures, including examination of relevant accounting and production records, as well as original source documents provided by POSCO.⁵

Final Determination

The estimated weighted-average dumping margins for this final determination are as follows:

Producer or Exporter	Estimated Weighted-Average Dumping Margin
POSCO/Daewoo International Corporation	6.88 %
All Others	6.88 %

Disclosure

We intend to disclose the calculations performed for this final determination within five days after the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of non-oriented electrical steel from the Republic of Korea which were entered, or withdrawn from warehouse, for consumption on or after May 22, 2014, the date of publication of the

Preliminary Determination. We also will instruct CBP to require a cash deposit equal to the

⁵ See Memorandum to the File entitled “Verification of the Cost Response of POSCO Corporation in the Antidumping Duty Investigation of Non-Oriented Electrical Steel from the Republic of Korea” dated July 28, 2014; Memorandum to the File entitled “Verification of the Sales Response of POSCO in the Less-Than-Fair-Value Investigation of Non-Oriented Electrical Steel from the Republic of Korea” dated August 6, 2014; and Memorandum to the File entitled “Verification of the Sales Response of POSCO’s U.S. affiliate, Daewoo International America, in the Less-Than-Fair-Value Investigation of Non-Oriented Electrical Steel from the Republic of Korea” dated August 6, 2014.

weighted-average amount by which normal value exceeds U.S. price, as follows: (1) the cash deposit rate for the mandatory respondent listed above will be equal to the estimated weighted-average dumping margin determined in this final determination; (2) if the exporter is not a firm identified in this investigation but the producer is, then the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the producer of the subject merchandise; (3) the cash deposit rate for all other producers or exporters will be 6.88 percent, as discussed in the “All Others Rate” section, below. These suspension of liquidation instructions will remain in effect until further notice.

All Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually examined, excluding any rates that are zero, *de minimis*, or determined entirely under section 776 of the Act. Accordingly, the “All Others” rate is equal to the estimated weighted-average dumping margin calculated for POSCO, the only company for which the Department calculated a rate.⁶

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we notified the U.S. International Trade Commission (ITC) of our final determination. As our final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine within 45 days whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise. If the ITC determines that such injury exists, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department,

⁶ See section 735(c)(5)(A) of the Act.

antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Return or Destruction of Proprietary Information

This notice will serve as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the destruction or return of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing this determination and notice pursuant to sections 735(d) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

October 6, 2014
Date

APPENDIX

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Critical Circumstances
- IV. Scope of the Investigation
- V. Margin Calculations
- VI. Discussion of the Issues
 - 1. Home Market Level of Trade
 - 2. Home Market Sales Outside of the Ordinary Course of Trade
 - 3. Denial of Offsets for Non-Dumped Sales When Using the Average-to-Transaction Method as an Alternative Comparison Method
- VII. Recommendation

[FR Doc. 2014-24374 Filed 10/10/2014 at 8:45 am; Publication Date: 10/14/2014]